

Table 3

Estimated PLA/Military Establishment Expenditures (2000)

<u>Item</u>	<u>Expenditure</u> (US \$ billion approximate)
<u>Funds Going Directly to the PLA</u>	
Official Defense Budget	\$ 14.5 bn.
Foreign Arms & Technology Purchases	\$ 1 bn.
Provincial/Local Cost-Sharing	\$ 5 bn.
TOTAL DIRECT ALLOCATIONS	\$ 20.5 bn.
<u>Funds Indirectly Going to Armed Forces and Military-Industrial Establishment</u>	
Redundant Production & Subsidized Cost Overruns	\$ 1 bn.
Extra-Budgetary Defense R & D	\$ 1 bn.
People's Armed Police	\$ 3 bn.
Direct Subsidies to Defense Industries & Defense Conversion	\$ 5 bn. + \$500 mn.
Arms Sales Revenue	\$ 600 mn
TOTAL INDIRECT ALLOCATIONS	\$ 11.1 bn.
TOTAL ESTIMATED EXPENDITURE \$ 31.6 bn.	